Worth of SAIL

1847. SHRI RAJKUMAR DHOOT: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that net worth of SAIL at present is about Rs. 2252 crores against Rs. 8000 crore in 1997;

(b) if so, the reasons for the fall in net worth; and

(c) the steps being taken to improve the net worth of SAIL?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORETRIPATHY): (a) Yes, Sir.

(b) The reasons for fall in net worth are as follows:

* Adverse market conditions, surplus capacity in the domestic and international market, subdued economic activities, fall in domestic and global prices of steel, social costs, increase in input prices, high manpower cost, etc.
* Increase in Provisions for Deferred Revenue Expenditure on account of VRS, Gratuity, Leave encashment and settlement benefits etc. in compliance with Accounting Standards.

(c) Some of the major steps being taken to improve the net worth of SAIL are:

* Business restructuring envisaging divestment of non-core assets.
* Intensive cost control.
* Control on capital expenditure.
* Market oriented product-mix, reinforcing sales and marketing efforts, greater focus on customer satisfaction.
* Rightsizing of Manpower.
* Reduction in borrowings.

Growth of steel industry

1848. SHRI SURESH PACHOURI: Will the Minister of STEEL be pleased to state:

(a) whether the growth of the steel industry has been slower than expected;